



U.S. Department of Justice

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VIA EMAIL

The Honorable Georgette Castner
United States District Court
Clarkson S. Fisher Building & U.S. Courthouse
402 East State Street
Trenton, NJ 08608

Re: U.S. v. Christopher Matthaei
Crim. No. 24-412 (GC)

Dear Judge Castner:

The Government writes to inform the Court about defendant Christopher Matthaei’s (“Matthaei”) continued post-arrest contact with an individual who is a witness to his insider trading scheme. This contact violates the terms of his pre-trial release entered by the Honorable Cathy L. Waldor on or about March 30, 2023. *See U.S. v. Christopher Matthaei*, Mag. No. 23-9114 (CLW), ECF No. 6 (stating defendant shall “[h]ave no contact with the following individuals: co-def, co-conspirators, vics, wits w/out counsel”). On or about March 29, 2023, Matthaei was charged by complaint with conspiracy to commit securities fraud and securities fraud for engaging in an insider trading scheme that netted millions of dollars in illegal trading profits. *See Id.* at ECF No. 1. On or about June 21, 2024, a federal grand jury sitting in Newark, New Jersey, returned a nine-count Indictment charging Matthaei with conspiracy to commit securities fraud (Counts One and Nine) and securities fraud (Counts Two through Eight). *See U.S. v. Christopher Matthaei*, Crim. No. 24-412 (GC), ECF No. 16.

As alleged in the Indictment, from in or around May 2020 through in or around February 2021, Matthaei and his longtime friend and client, Sean Wygovsky (“Wygovsky”), engaged in an insider trading scheme involving the securities of special purpose acquisition companies (“SPACs”) based on material nonpublic information (“MNPI”) that Wygovsky received through his role as a trader at an asset management company. Despite knowing that Wygovsky had a duty to keep that MNPI confidential, and that Matthaei and Wygovsky were prohibited from trading

on MNPI, Matthaei traded in several SPAC securities based on the MNPI he received from Wygovsky, resulting in illicit profits of more than \$3.4 million.

During the investigation, the Government learned that Marilyn Morales (“Morales”), who works as a phlebotomist and COVID test provider, services clients, including Matthaei, at clients’ homes and/or at her residence in Brick, New Jersey. The investigation further revealed that Matthaei frequently communicated with Morales during the time period of the insider trading scheme, through phone calls and the exchange of messages through the encrypted messaging app WhatsApp. The WhatsApp communications between Matthaei and Morales show that they frequently discussed SPACs during the time period of the insider trading scheme, including at least one of the SPAC securities charged in the Indictment.

On or about July 17, 2024, Matthaei was arraigned before this Court on the Indictment. At that time, the Government informed the Court that it considered Morales a witness in this case and that therefore, consistent with the terms of his release, Matthaei should not communicate with her outside the presence of counsel. Defense counsel objected to the Government’s classification of Morales as a witness and argued that Matthaei requires her services for an unknown medical condition.

At this time, the Government is not asking that the Court find Matthaei in violation of his bail conditions for his communications with Morales that preceded his arraignment. Now that the Government has informed Matthaei of Morales’ status in this case, however, we respectfully request that this Court enforce the current conditions of his release and instruct Matthaei not to communicate with Morales outside the presence of counsel.

Respectfully,

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cc: Michael Tuteur, Esq.
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Todd Jones, U.S. Pretrial Services